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SUBJECT: ELECTIONS UPDATE: NOBOA COMING ON STRONG, CORREA
STILL RISING

Classified By: PolOff Erik Martini for reasons 1.4 (B&D)

11. (C) Summary: A recent bump in unpublished national polling raises the possibility that banana magnate Alvaro Noboa could squeak past Leon Roldos into the second round runoff for president. Meanwhile, radical front-runner Rafael Correa continues to climb, getting closer to the 40% threshold for an outright victory in the first round. It is important to note, however, that polls have historically been unreliable at predicting the first round of presidential elections. A September 29 OAS EOM pre-electoral report urged candidates to reduce unhelpful mudslinging and encouraged tolerance between political parties in support of democratic principles. OAS EOM Chief Rafael Bielsa also rejected electoral fraud claims, stating that the EOM had no evidence of significant electoral wrongdoing. An October 1 quick count simulation was held by electoral authorities, revealing some weaknesses that can be corrected before election day. The Constitutional Tribunal is reportedly considering whether the proportional representation scheme electoral vote counting method approved by Congress this year is unconstitutional. We believe the Court will uphold the method; a negative decision by the court could delay the elections. End Summary.

Noboa Bounces, Correa Continues Climbing

12. (SBU) Poll information may not be published in the media until after election day, October 15th. Pollsters continue to poll, however, and the Embassy has obtained recent polls showing that Rafael Correa continues to rise, albeit more gradually, and a significant recent jump in support for Noboa. PSC candidate Cynthia Viteri continues to fall, while Leon Roldos' support is holding relatively steady. Current poll results (Cedatos, Market, Informe Confidencial, respectively) with a 3% margin of error:

-- Rafael Correa (29.2%, 26%, 27%)
-- Leon Roldos (16.9%, 22%, 17%)
-- Alvaro Noboa (14.6%, 12%, 16%)
-- Cynthia Viteri (9.6%, 12%, 9%)
-- Null Votes (15.2%, n/a, 16%)
-- Undecided Voters (40.5, n/a, n/a)

13. (SBU) Two leading polling firms believe Correa's support among the electorate would currently convert to 35% of valid votes, just 5 points shy of the 40% and more than 10 points ahead of the next contender, as required for a first round

victory. (Note: Null and blank votes are subtracted to calculate the valid vote denominator).

Historically, Polls Fail to Predict First Round

¶4. (U) It is important to note that polls have not proven reliable predictors of first round results in recent history.

In the first round of presidential elections of 2002, for example, polling firms put the six top contenders all within a statistical tie on the eve of elections; undecided voters were between 35-40%. Lucio Gutierrez won the first round comfortably by leaping from third place in the polls to frontrunner status at the polls. Conventional wisdom from Gutierrez's 2002 upset is that the polling firms did not take into account the rural voters in the first round, and the major polling firms claim to have corrected this bias.

¶5. (U) But polling firms have rarely been able to predict the top two finishers in the first round in Ecuador. In 1996, Jaime Nebot led runner-up Freddy Ehlers by 2 to 1 before the first round; yet Abdala Bucaram ended up beating Nebot in the second round. In 1998, Alvaro Noboa polled in fourth place before the first round yet jumped into second to make the runoff against Jamil Mahuad. In contrast, pollsters are much better at predicting a winner in the second round. For example, Gutierrez' comfortable second round victory over Noboa in the second round in 2002 was accurately predicted by most polling firms. Since the return to democracy in 1978 the winner of the first round went on to win the presidency in five of seven elections.

Correa Edging Toward First Round Victory

¶6. (SBU) Despite his continued rise in the polls, few outside the Correa campaign predict an outright first round win for Correa. No presidential candidate has ever exceeded 35% in the first round in the past 27 years of democracy. Correa is now within five points of that hurdle, which also requires a ten-point advantage over the second place finisher. On related issues, a September 16 Informe Confidencial poll shows 65% of voters say they would vote for a candidate that would convene a constituent assembly. The same poll shows voters do not care much about instability (less than 2%), which Correa's detractors are trying to use against him. Voters are much more concerned about corruption (25%), unemployment (22%), the state of the economy (17%) and bad governance (13%). A September 23 Informe Confidencial poll shows Correa beating Roldos in a second round, by 44 to 39%. An October 2 Cedatos poll shows Correa beating Roldos (43-33), Noboa (48-24) or Viteri (50-21) in the second round.

OAS Cautions Against Unfounded Fraud Allegations

¶7. (SBU) OAS Chief of Elections Observation Mission Rafael Bielsa on September 29 released the Mission's first pre-electoral report, expressing concern over increased exchanges of unfounded allegations and insults by candidates.

The report calls for political parties and movements to create a more constructive electoral environment based on tolerance and respect for democratic values. To increase public confidence in the election process, Bielsa recommended improving communication between the TSE and social and political actors; increasing electoral training; ensuring the presence of electoral observation officials at the voting tables; enhancing quick count planning; strengthening provincial electoral tribunals; and disseminating voting machines use guidance.

¶8. (SBU) The OAS report notes that the EOM received official complaints from two presidential candidates (Correa and PRE candidate Fernando Rosero) and that an investigation of the allegations was underway. Correa and Rosero have publicly questioned Minister of Defense Marcelo Delgado's relationship with Leon Febres Cordero and suggested that he may be conspiring to conduct electoral fraud. (Note: The Ecuadorian

military is responsible for delivering and transporting ballots to central election authorities on election day.) Bielsa has publicly stated that the EOM has no evidence of planned electoral fraud.

Church Calls for Responsible Vote

¶9. (U) Antonio Arregui, the President of the Catholic Church's governing Episcopal Conference, publicly joined other civil society groups calling for "a responsible vote". The Church would order its parish priests to make pre-electoral commentaries, telling parishioners nationwide "if we continue voting without conscience, the country will not pull out of its economic and political crisis." The statement was interpreted as a criticism of Correa's platform. Correa responded by calling himself a practicing Catholic, opposing abortion, and highlighting his service as a Catholic mission worker for a year in an indigenous village.

Court Case Adds Electoral Uncertainty

¶10. (U) Congressman Rafael Davila's (UDC) complaint filed with the Constitutional Court challenges the constitutionality of the method chosen by Congress to apportion plurinominal seats (in Congress, the Andean Parliament, and provincial and municipal councils) Ecuador's Organic Elections Law on April 26, 2006. The reform institutes a proportional representation system slightly different from the method used in 2004, permitting voting by individual candidate or by party list, per the constitution. Davila maintains that the reform violates Article 99 of the Ecuadorian Constitution which states that "citizens have the right to select candidates of their preference, of one list or between lists...with proportional representation for minority parties." Going further, he claims that voting by party list violates the will of the people, expressed in a 1997 referendum. Acknowledging concerns that an eleventh hour change in the vote count method could delay elections, Davila has publicly suggested the Court defer ruling on his

concerns until after the October 15 election.

¶11. (U) Congress approved on April 26 a weighted method of apportioning these seats by proportional representation (called "ponderado" in Spanish), developed by Ecuadorian mathematician German Rojas of the National Polytechnic School. Davila maintains that the system's requirement to convert all votes into party list votes creates a de facto list-only system that favors the larger political parties. Fifty-seven congress members voted in favor of the reforms, including both major parties. Since these parties have great influence over the Court, few expect a ruling striking the law down. If it were struck down, however, the Congress would be forced to act quickly to replace it, or the elections would have to be postponed.

Quick Count Simulation Disappoints

¶12. (SBU) The TSE on October 1 held a simulation to test the vote transmission system. OAS sources tell us the simulation failed to meet expectations, largely due to limited advance planning. The OAS expects that the TSE will be able to resolve the problems discovered prior to October 15. Meanwhile, Congress members have criticized the TSE's decision to hire Brazilian firm E-Vote to conduct the quick count. Several have questioned E-Vote's record in Brazil and expressed concern over how quickly the results will be transmitted. TSE officials and E-Vote held a press conference on October 3 to assure the public that the quick count would be efficient and accurate. E-Vote representative Santiago Murray said E-Vote had taken steps to ensure speedy transmission, including securing and configuring computer systems, training voting booth workers, and securing telephone lines for the transmission of vote results.

Palacio's Referendum Closer to Realization

¶13. (U) President Palacio on September 24 issued Executive Decree 1871, calling for a non-binding popular referendum in the second round of the presidential elections. The Supreme Electoral Tribunal's Judicial Commission on October 3 issued a favorable report to the TSE board for final approval. The three questions are:

-- Education: Voters would be asked if they support universal preschool from ages zero to five years and required schooling from first to twelfth grade; an increase in high school matriculation rates to a minimum of 75%; an eradication of illiteracy; improved adult education; improved school infrastructure and equipment; implementation of a national student evaluation system; permanent training programs for teachers; improved working conditions and quality of life for teachers; and increased education funding from 0.5% of the GDP to 6% by 2012.

--Health: Voters would be asked if they support a universal healthcare insurance program; increased healthcare funding from 0.5% through 2012 or until 4% of the GDP is achieved; and that Congress should act on the health proposals within the first five months of the new session.

-- Social Investment: Voters would be asked if they agree with the principle of earmarking extra oil revenue for social investment and economic development activities, and that Congress should act on the proposal within the first five months of the new session.

First-time Overseas Voting Another Concern

¶14. (C) Vice-ForMin Ribadaneira confided to the DCM that the Ministry is concerned about the logistical challenges of managing overseas voters at its consulates, a new experience for the country. Spain is the focal point, with a new generation of immigrants still closely linked to their home communities and more likely to vote. He noted that at even a small consulate like Murcia, they have registered 30,000 voters. In a close election, management of these ballots could strain the system and become an issue.

Comment

¶15. (C) If there is any certainty in Ecuadorian politics it is unpredictability of results, and this election cycle is no exception. An unfavorable Court ruling is not expected, but could throw the date of the election in doubt. Correa continues his rise in the polls, but anything can happen in the final weeks and days before the election. Noboa's late bounce should not come as a surprise--Noboa has spent the most of any candidate in recent days and as an outsider candidate appeals to the poorest voters with paternalistic promises of change. He has wide name recognition and an organized party base in rural areas, especially along the vote-rich coastal region. Amidst this uncertainty, the OAS mission is struggling to increase the credibility of the electoral process and fend off unsubstantiated charges of fraud. We will continue to support the OAS throughout the process.

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